

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF TEXAS EL PASO DIVISION		
In re:	§	Case No. 21-30107 (HCM) (Chapter 11)
PDG PRESTIGE INC.,	§	
	§	
	§	
Debtor.	§	

**LIMITED OBJECTION OF CITY BAY CAPITAL LLC TO
DISCLOSURE STATEMENT IN SUPPORT OF PLAN OF REORGANIZATION
OF PDG PRESTIGE INC. DATED NOVEMBER 3, 2021**

TO THE HONORABLE H. CHRISTOPHER MOTT,
UNITED STATES BANKRUPTCY JUDGE:

Creditor City Bay Capital LLC ("City Bay"), by and through undersigned counsel, pursuant to 11 U.S.C. Section 1125 of the United States Code and Federal Rule of Bankruptcy Procedure 3017, files this Limited Objection to the Disclosure Statement in Support of Plan of Reorganization of PDG Prestige Inc. dated November 3, 2021 (the "Disclosure Statement") [ECF No. 95], and specifically to the objection to City Bay's proof of claim (Claim No. 9) (the "City Bay Claim") listed as disputed in Exhibit PDGP304 to the Disclosure Statement. In support hereof, City Bay would say:

1. On or about May 29, 2019, City Bay and Michael Dixon, his subsidiaries and affiliates (collectively, "Dixon"), one of which is PDG Prestige, Inc. (the "Debtor"), executed a Mortgage Brokerage Agreement (the "Agreement"), whereby City Bay would attempt to procure a loan for Dixon that would be used for the acquisition of a retail center named Fox Plaza Shopping Center, located in El Paso, TX 79905 (the "Project") and described in detail in the Addendum to City Bay's Proof of Claim No. 9 which is incorporated by reference herein.

2. On June 10, 2021, City Bay filed the City Bay Claim. In accordance with Paragraph 1 of the Agreement, Dixon and the Debtor each owe City Bay, jointly and severally, the sum of twenty-five thousand U.S. dollars (\$25,000), plus attorney's fees in the approximate amount of \$2,500.00 and interest at 12% in the approximate amount of \$4,750, for a total amount of \$32,250, for the non-occurrence of the acquisition of the Project and delivery of the Loan Terms to Dixon. Alternatively, City Bay is owed the same amount by Dixon and the Debtor, jointly and severally, under the theory of, *inter alia*, quantum meruit.

3. On November 4, 2021, the Debtor filed the Disclosure Statement, indicating their intent to dispute City Bay's Claim on the basis that the City Bay Claim is purportedly filed against a “wrong entity” that is not the Debtor. *See* ECF No. 95, Exhibit PDGP304.

4. The Debtor's contemplated, but not yet asserted, objection is baseless because the Agreement is with “Michael Dixon, *his subsidiaries and affiliates*, PDG, Inc., and the Project.” (emphasis added). The Debtor is both a subsidiary and an affiliate of Dixon. Indeed, Dixon is the 100% owner of the Debtor and PDG, Inc. In addition, PDG Inc. is a co-debtor of the Debtor. *See* Debtor's Schedule H [ECF No. 14].

5. Therefore, the City Bay Claim pertains to both the Debtor and its assets.

6. Although the Debtor has not formally filed an objection to the City Bay Claim, in an abundance of caution, City Bay objects to the proposed dispute of the City Bay Claim to the extent the Debtor's Plan of Reorganization does not provide for payment of City Bay's Claim as an allowed general unsecured claim based on its proof of claim which has not been objected to and is thus presumed to be prima facie valid. The mere intention to object to the Claim as stated in the Disclosure Statement is not a substitute for filing a claim objection.

Accordingly, City Bay objects to the Disclosure Statement to the extent the Debtor proposes to object to City Bay's Claim and/or seeks to classify City Bay's Claim separately from the other general unsecured claims and to treat City Bay's Claim differently therefrom.

WHEREFORE, City Bay respectfully requests the Court enter an Order (i) sustaining this Limited Objection; (ii) denying the Disclosure Statement in its current form; and (iii) granting such other and further relief as the Court deems just and proper.

Dated: Dallas, Texas
December 8, 2021

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on December 8, 2021, a true and correct copy of the foregoing was served upon the parties listed on the attached service list via (i) Electronic Notice and/or (ii) U.S. Mail.

/s/David W. Parham

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